

MIDTOWN ALEXANDRIA STATION CONDOMINIUM ASSOCIATION
ADMINISTRATIVE RESOLUTION NO. 08-05
BUDGET & FINANCE COMMITTEE CHARTER

Establishing the structure and responsibilities of the Budget & Finance Committee

WHEREAS, Article 3, Section 3.1 of the Bylaws states that "The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Unit Owners Association and may do all such acts and things as are not by the Condominium Act or the condominium instruments required to be exercised and done by the Association;" and

WHEREAS, Article III, Section 3.1(6) of the Bylaws provides that the Board shall have the power to adopt rules and regulations; and

WHEREAS, the Board of Directors recognizes that a healthy and active committee structure is essential to the effective operations of the Association; and

WHEREAS, the Board deems it reasonable and prudent and in the interests of the Members to establish a Committee to advise and assist it in managing the financial assets of the Association and provide assistance in reviewing the Association's annual operating budget.

NOW THEREFORE BE IT RESOLVED THAT a Budget & Finance Committee be established consist of three (3) individuals, having the following terms of reference.

I. RESPONSIBILITY

The primary responsibility of the Budget & Finance Committee is to advise and assist the Board of Directors in prudently and efficiently administering the Association's assets in order to meet both the requirements of the Community Association's governing documents and the needs and desires of the Members. In fulfilling its responsibility, the Budget & Finance Committee shall perform functions which include, but are not limited to, the following:

- A. Assist in the preparation, periodically review and update a multi-year budget schedule for use by the Board in projecting the Association's financial needs over time.
- B. Working with the Association's Managing Agent and Insurance Broker, develop a risk management program for the Association in order to reduce the likelihood of events occurring that would result in claims and to reduce insurance premiums where possible, where such may be done without decreasing needed coverage or the quality of insurance.
- C. Working with the Treasurer and the Managing Agent, develop a proposed investment program for the Association consistent with the governing documents and fiduciary industry practices.
- D. Working with the Treasurer and the Managing Agent, develop and recommend to the Board of Directors each year an operating and reserve budget in accordance with the

timetable specified in the governing documents. Host annually a community budget presentation prior to the Board considering a final budget for adoption.

- E. With the Treasurer, review the draft annual audit prepared by the Association's auditor.
- F. Working with the Treasurer and Managing Agent develop recommendations for the Board of Directors to assure the assets of the Association, both physical and financial, are maintained at a high level.
- G. Review the Association's replacement reserve table and schedule. Make recommendations to the Board on any necessary updates and changes. Assist the Board and Management in ensuring the reserve studies are meeting the reserve requirements of the Virginia Condominium Act.
- H. Review the monthly financial statement, with an emphasis on cash investments status, income and expenses compared to budget, accounts receivable, invoices paid, and expenditures from reserves.
- I. Submit minutes of committee meetings to the Managing Agent for inclusion in the monthly report to the Board of Directors. Provide report to the Managing Agent for inclusion in the monthly report to the Board on committee activities.
- J. Assist the Association's accountant, when necessary, in the annual audit of the Association's finances.
- K. Monitor the Association's financial transactions to ensure that they are handled in a timely and accurate manner.
- L. Complete annual priorities assigned by the Board of Directors.
- M. If requested by the Board, develop and recommend policies and rules and regulations governing issues within the jurisdiction of the Committee.
- N. The Board has the power to determine the scope of responsibility of the Committee, and this Charter is not intended to create any restrictions or limitations on the Board's power to determine the jurisdiction of the Committee.
- O. Perform other duties as assigned by the Board of Directors.

Notwithstanding the foregoing, the Board of Directors reserves the right to direct the Committee to discontinue any action as the Board, in its sole discretion, may determine. Moreover, the Committee is prohibited from taking any actions not delegated to it by this Section I or by a vote of the Board of Directors or Residential Council, as appropriate.

II. ELIGIBILITY

- A. Budget & Finance Committee candidates and members shall be property owners in good standing or tenants of units where the property owners is in good standing. Good standing shall be defined as the absence of any liens, privilege penalty, assessment delinquency, architectural or covenants violation, or legal action enacted by the Association.
- B. A member shall not serve on more than one committee at a time. There shall not be more than one member of a household serving on the same committee at the same time.

III. NUMBER OF MEMBERS & LENGTH OF TERM

- A. The total number of members of the Budget & Finance Committee shall be three (3).
- B. Budget & Finance Committee seat terms are for one year.
- C. The Board shall make appointments to the Budget & Finance Committee as terms expire or vacancies arise thereafter.

IV. APPOINTMENT

- A. The initial members and Chair of the Committee shall be appointed by a majority vote of the Board of Directors within sixty (60) days of the approval of this Resolution. Thereafter, beginning with the first annual meeting that occurs at least one year from the date of appointment of the initial members of the committee, the Board of Directors will appoint committee members and the Chair each year at the first Board meeting held after the Annual Meeting. The Board of Directors may make additional appointments throughout the year if vacancies occur.
- B. Recruitment of candidates may be done through the newsletter and/or the Association's website, announcement at the Annual Meeting or by any other means deemed appropriate by the Board. Budget & Finance Committee vacancies shall be publicized at least once in the Association newsletter and on the Association website, to the extent there is one, prior to being filled.
- C. Owners and/or resident interested in being appointed must submit their written request for appointment to the Managing Agent. Committee members in good standing are eligible for reappointment.
- D. Once the Managing Agent determines that an owner is eligible to be appointed, the Managing Agent shall forward a copy of the written request to the committee Chairperson.
- E. The Budget & Finance Committee may make recommendations to the Board on the appointment of eligible committee members.
- F. Following receipt of the Budget & Finance Committee's recommendation, the Board shall,

in its sole discretion, appoint persons to serve on the Budget & Finance Committee to fill any existing vacancy. Any person appointed to the Budget & Finance Committee to fill a vacancy created by the removal or resignation of a Budget & Finance Committee member shall serve the remainder of the predecessor member's term.

- G. No owner shall continue to serve as a Budget & Finance Committee member if such owner is more than sixty (60) days delinquent in meeting financial obligations of the Association.
- H. If the Chairperson believes that an eligible owner who has requested appointment should not be appointed or that a sitting Budget & Finance Committee member should be removed for reasons other than failure to attend three (3) consecutive meetings, then the Budget & Finance Committee Chairperson shall submit the matter for consideration by the Board of Directors at its next regularly scheduled meeting.
- I. Budget & Finance Committee members will be provided a copy of this Charter within a reasonable period of time following their appointment.

V. REMOVAL

- A. The Board of Directors may remove any committee member, including the committee Chairperson, with or without cause upon three (3) days written notice.
- B. The Committee may make recommendations to the Board of Directors regarding the removal of committee members upon a majority vote of the committee.
- C. With the consent of the Board, a Committee member may be removed, upon written notice from the committee chairperson, for failure to attend three consecutive committee meetings.

VI. COMMITTEE OFFICERS

- A. The Board shall appoint the Chairperson of the Budget & Finance Committee, whose term as Chair shall be one year. Members of the committee may make recommendations to the Board of Directors for the appointment of a Chairperson. Other officers of the committee may be elected by the committee membership. At a minimum, the Committee shall elect a Secretary who shall be responsible for recording accurate minutes of the committee's meetings and submitting them to the Managing Agent, in a timely manner, for inclusion in the monthly Board meeting package. Minutes shall include a record of the date, time and place of each meeting. Minutes shall also include a record of committee member attendance and all votes of the committee.
- B. The Chairperson, or the committee member who is his or her designee, shall be responsible for chairing meetings of the committee.

II. MEETINGS

- A. The Budget & Finance Committee shall meet on a monthly basis. The Budget & Finance Committee shall publish an annual calendar of meetings. All Budget & Finance Committee meetings shall be open to owners and be held at a recognized place of the Association.
- B. The Chairperson may call special meetings of the Budget & Finance Committee upon three (3) business days notice provided that notice is provided to the Budget & Finance Committee members stating the purpose of the meeting. Advanced notice of a special meeting is deemed waived if consented to by all members of the Budget & Finance Committee or if all members of the Budget & Finance Committee are present at such special meeting.
- C. A quorum of members must be present in order to convene a meeting or conduct business. A quorum shall be present if the majority of the current committee members are present at any regularly scheduled or special committee meeting. If the committee is unable to convene a meeting due to lack of a quorum, the committee Chairperson may do one of the following:
 - 1. Reschedule the meeting; or
 - 2. Adjourn the meeting to the next regularly scheduled meeting date.
- D. The vote of a majority of Budget & Finance Committee members present at a meeting with a quorum present shall constitute the decision of the committee if possible. All voting shall be conducted in open session.
- E. The committee Chairperson shall designate a time period on each meeting agenda for resident input.
- F. Minutes shall be taken at every meeting. Minutes shall show attendance, issues raised, votes cast by each member present, and any decisions made by the Budget & Finance Committee.
- G. Minutes shall be forwarded to the Managing Agent at least one week prior to the monthly Board meeting if possible for inclusion in the monthly report to the Board of Directors. Approved meeting minutes will be kept on file for review by owners.
- H. Committee and subcommittee members shall not use inappropriate language or verbal tone during their debate of the issues. Any actions (including physical gestures or body language) or comments designed to insult, demean, or attack the personal character of any member of the committee, subcommittee, the committee or subcommittee as an entity or any person in attendance shall be strictly prohibited. Committee and subcommittee members owe a special duty of civility to the Association's membership and shall be particularly courteous to the individual members at all times during official functions of the Association.

VIII. DUTIES OF THE CHAIR

The duties of the Chairperson shall include, but may not be limited to the following:

- A. Develop the annual meeting calendar;
- B. Prepare meeting agendas;
- C. Preside over meetings;
- D. Provide each committee member an opportunity for input;
- E. Ensure committee members and those attending the meeting are treated fairly and with respect, including when necessary ordering offending members or other attendees to leave the committee meeting;
- F. Assign committee members tasks as necessary;
- G. Submit meeting minutes to the Board of Directors as stipulated above;
- H. Serve as the liaison to the Board and represent the Budget & Finance Committee to the Board on any matters;
- I. Serve as the liaison to the Managing Agent and represent the Budget & Finance Committee at any meetings with the Managing Agent;
- J. Ensure that the Budget & Finance Committee is performing duties as detailed in this resolution and requested by the Board of Directors.


IX. COMMUNICATIONS

- A. In the interest of ensuring strong communications between the Board of Directors and the Budget & Finance Committee, it is expected that the committee Chairperson, or the committee member who is his or her designee, will attend each regularly scheduled business meeting of the Board of Directors. The committee representative will present committee recommendations, update the Board on the status of pending committee tasks, request assistance from the Board, as needed, and answer any questions the Board may have regarding committee assignments.
- B. The committee is expected to maintain regular communications with the designated Board liaison.

- C. It is expected that the committee will communicate its activities to the membership periodically through the newsletter and/or internet website and other communication vehicles of the association.

Enacted this 21st day of April, 2008.

THE MIDTOWN ALEXANDRIA STATION
CONDOMINIUM ASSOCIATION

By 
President